



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 05-14, Elimination of the Thrift Savings Plan (TSP) Open Seasons

Date: August 19, 2005

To: Holders of the Payroll/Personnel Manual  
Personnel User Groups  
Personnel Offices

This bulletin supercedes Title I, 05-11, Elimination of the Thrift Savings Plan (TSP) Open Seasons dated June 29, 2005.

The Federal Retirement Thrift Investment Board implemented Public Law 108-469, dated December 21, 2004, effective July 1, 2005. Public Law 108-469 eliminates the TSP open seasons and the restrictions on contribution elections which are tied to open seasons.

This bulletin provides users of the National Finance Center (NFC) Payroll/Personnel System (PPS) with the following information about Public Law 108-469 and the related processing requirements.

#### **Elimination Of TSP Open Seasons**

As a result of the elimination of the TSP open seasons, beginning with the processing of Pay Period 14 (July 18, 2005), employees covered by the Federal Employees Retirement System (FERS) or Civil Service Retirement System (CSRS) may make TSP contribution elections to start, change, stop, or resume TSP contributions at any time through their payroll office or through the Self-Service Option of the Employee Personal Page (EPP). TSP contribution elections will be effective the first full pay period (beginning with the processing of Pay Period 14) following receipt of the election. **Note:** Certain FERS employees must serve a waiting period before they can receive agency contributions to their TSP accounts; see Required Waiting Period For Agency Contributions below.

#### **Required Waiting Period For Agency Contributions**

Newly hired FERS employees and FERS employees reappointed following a break in service who were not previously eligible to receive agency contributions must serve the waiting period described below before they can receive agency contributions to their TSP accounts:

- If the effective date of the appointment is any day during the period June 1 through November 30, the agency contributions must begin the first full pay period of the following June.
- If the effective date of the appointment is any day during the period December 1 through May 31, the agency contributions must begin the first full pay period of the following December.

**Note:** A break-in-service is defined as follows:

- FERS employees who are rehired (must have a break of 31 days or more to be a rehire).
- CSRS and CSRS-Offset rehires (must have a break of 31 days or more to be a rehire, instead of a transfer).

An employee reappointed to a position covered by FERS who was previously eligible to receive agency contributions is immediately eligible to receive agency contributions.

### Revised TSP Eligibility Codes

Listed below are the revised TSP eligibility codes to be used on accession and conversion personnel actions effective immediately. **Note:** TSP Eligibility Codes 1, 2, and 6 have been redefined since CSRS and FERS employees can now make TSP contribution elections to start, change, stop, or resume TSP contributions at any time.

**TSP Eligibility Codes**

TSP Eligibility Code	Description
1	<u>For FERS employees only:</u> Agency Automatic (1%) and matching contributions start the 1st election period after the employees' appointment. This code will apply to FERS employees who transfer from one department to another, have passed <b>one election period</b> at the prior department, but have not passed two election periods in the past. The employee may immediately participate in TSP and begin contributing; however, the Agency Automatic (1%) and matching contributions cannot begin until the election period immediately following their appointment. <b>Note:</b> The employee does not need to wait two election periods. For example, a Department of Transportation (a non-NFC serviced agency) employee, who has passed their first election period, transfers to an NFC serviced agency, would be eligible to receive Agency Automatic (1%) and matching contributions the next election period. TSP Eligibility Code 1 would not be used very often. See examples on TSP Eligibility Dates table.
2	<u>For FERS employees only:</u> Agency Automatic (1%) and matching contributions start the 2nd election period after the employees' appointment. This code applies to most new hires, transferred, or rehired employees, who are not eligible for the Agency Automatic (1%) and matching contributions. The employee may immediately participate in TSP and begin contributing; however, the Agency Automatic (1%) and matching contributions cannot begin until the 2nd election period immediately following their appointment. For example, a newly hired employee, who has no prior Government service, must wait until the 2nd election period to begin receiving Agency Automatic (1%) and matching contributions. TSP Eligibility Code 2 is more commonly used. See examples on TSP Eligibility Dates table.
3	<u>FERS, CSRS, AND CSRS-Offset employees:</u> The employee may immediately participate in TSP and begin contributing, as well as immediately receive Agency Automatic (1%) and matching contributions. The employee has already served the required waiting period under his or her former appointment. CSRS and CSRS-Offset employees are not eligible for Agency Automatic (1%) and matching contributions.
6	Ineligible. Employees in certain retirement coverage codes may not be eligible to participate in TSP.

**Note:** A FERS rehire, who was previously eligible to receive Agency Automatic (1%) contributions, is immediately eligible to receive Agency Automatic (1%) contributions at the time of appointment, and should be coded with TSP Eligibility Code 3.

Listed below are examples regarding TSP Eligibility Dates. **Note:** NFC's PPS always sets the TSP Eligibility Date based on the effective date of the action being processed.

**Note:** TSP Service Computation Dates, which are used for determining vesting requirements, should not be confused with TSP Eligibility dates.

**TSP Eligibility Date Table**

Effective Date of Action	TSP Eligibility Code	TSP Eligibility Date will be set to the Following:
06/01/05 - 11/30/05	1	12/11/05
	2	06/11/06
12/01/05 - 05/31/06	1	06/11/06
	2	12/10/06
06/01/06 - 11/30/06	1	12/10/06
	2	06/10/07
12/01/06 - 05/31/07	1	06/10/07
	2	12/09/07
06/01/07 - 11/30/07	1	12/09/07
	2	06/08/08

Since CSRS and FERS employees can now make TSP contribution elections to start, change, stop, or resume TSP contributions at any time, the following TSP eligibility codes have been eliminated:

**TSP Eligibility Codes**

TSP Eligibility Code	Description
<b>4</b>	A FERS employee who had terminated their TSP contributions during the last TSP open season before transferring to a new Federal agency/payroll system, and is eligible immediately for the Agency Automatic (1%) contributions and eligible to contribute to TSP during the first TSP open season.
<b>5</b>	A FERS employee who had terminated their TSP contributions during the last TSP open season before transferring to a new Federal agency/payroll system, and is eligible immediately for the Agency Automatic (1%) contributions and eligible to contribute to TSP during the second TSP open season.

Once a Form TSP-1, Thrift Savings Plan Election Form, is processed or when a FERS employee begins receiving the Agency Automatic (1%) contributions, the PPS replaces

the TSP eligibility code established through the Entry, Processing, Inquiry, and Correction System (EPIC) or an agency Front-end System Interface (FESI), with TSP Eligibility Code 9 (participating or has participated).

### TSP Status Codes

Listed below are the TSP status codes that will be generated by the PPS. **Note:** TSP Status Code H has been added to identify those employees that have made a financial hardship in-service withdrawal.

**TSP Status Codes**

<b>TSP Status Code</b>	<b>Description</b>
<b>E</b>	Eligible. An employee is eligible to participate in TSP but has not submitted a Form TSP-1 to begin employee contributions. A FERS employee coded E is eligible for the Agency Automatic (1%) contributions.
<b>W</b>	Waiting to receive the Agency Automatic (1%) contributions. A FERS employee who is contributing but who is not yet eligible to receive the Agency Automatic (1%) contributions.
<b>S</b>	Stopped employee contributions. A FERS employee who terminates (stops) their own contributions to TSP before they become eligible to receive the Agency Automatic (1%) contributions, as well as the agency matching funds.
<b>Y</b>	Yes (Contributing). An eligible employee has elected to participate in TSP (e.g., a Form TSP-1 was submitted to have their TSP contributions deducted from their salary each pay period). A FERS employee coded Y is eligible for the Agency Automatic (1%) contributions.
<b>H</b>	Hardship withdrawals. NFC Use Only. An employee who is required to terminate their contributions because they made a financial hardship in-service withdrawal. A FERS employee is eligible for the Agency Automatic (1%) contributions.
<b>T</b>	Terminates employee TSP contributions. An employee who terminates their contributions. A FERS employee is eligible for the Agency Automatic (1%) contributions.
<b>I</b>	Ineligible. Employees in certain retirement coverage codes may not be eligible to participate in TSP. A FERS employee coded I is eligible to participate in TSP, but has not yet submitted Form TSP-1 to begin employee contributions, and is <b>not</b> eligible yet to receive the Agency Automatic (1%) contributions.

The TSP status codes are displayed in the Information/Research Inquiry System (IRIS), Program IR118, Thrift Savings Data, in the **Change Status Code** field.

### TSP Status Date

The TSP status date is generated by the PPS and is the first day of the pay period in which Form TSP-1 takes effect to begin employee contributions or when a FERS employee became eligible to receive the Agency Automatic (1%) contributions. However, if the employee cancels his/her TSP contributions, the first day of the pay period in which the cancellation is processed will be generated in the TSP status date. The TSP status date is displayed in IRIS Program IR118 in the **Eff Date Of Status Change** field.

**Note:** The TSP status date will *not* change if the employee elects to change the percentage rate or dollar amount of the employee TSP contributions.

### **Payroll/Personnel Procedures**

The appropriate Title I payroll/personnel procedures have been updated with the information in this bulletin. To view and/or print these procedures, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click the **Pubs & Forms** icon. At the Pubs & Forms page left-hand menu, click **List by Title/Chapter** and search for the appropriate chapter on the list provided.

### **Inquiries**

For more information on the elimination of the TSP open seasons, see the TSP Web site ([www.tsp.gov](http://www.tsp.gov)).

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov). For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative.



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